

deemed to have been received simultaneously.

(C) The order of receipt of all submissions received simultaneously will be determined by a public lottery if allocation of Phase I extension reserve allowances to each of the simultaneous submissions would result in oversubscription of the Phase I extension reserve.

(iv) Based on the allowances requested under paragraph (c)(9) of this section, as adjusted by the Administrator in approving the early ranking application, the Administrator will award Phase I extension reserve allowances for each complete early ranking application to the extent that allowances that have not been awarded remain in the Phase I extension reserve at the time the Administrator acts on the application. The allowances will be awarded in accordance with the procedures set forth the allocation of reserve allowances in paragraph (e)(3) of this section.

(v) The Administrator's action on an early ranking application shall be conditional on the Administrator's action on a timely and complete Acid Rain permit application that includes a complete Phase I extension plan and, where the plan includes a unit under paragraph (a)(1) (ii) and (iii) of this section, a complete substitution plan or reduced utilization plan, as appropriate.

(vi) Not later than 15 days after receipt of each early ranking application, the Administrator will notify, in writing, the designated representative of each application of the date that the early ranking application was received and one of the following:

(A) The award of allowances if the application was complete and the Phase I extension reserve as not oversubscribed;

(B) A determination that the application was incomplete and is disapproved; or

(C) If the Phase I extension reserve was oversubscribed, a list of the applications received on that date, the number of Phase I extension allowances requested in each application, and the date, time, and location of a lottery to determine the order of receipt for all applications received on that date.

(vii) The date of a lottery for all applications received on a given day will not be earlier than 15 days after the Administrator notifies each designated representative whose applications were received on that date.

(viii) Any early ranking application may be withdrawn from the lottery if a letter signed by the designated representative of each unit governed by the application and requesting withdrawal is received by the Administrator before the lottery takes place.

(2) *Phase I extension plans.* (i) The Administrator will act on each Phase I extension plan in the order that the early ranking application for that plan was received or, if no early ranking application was received, in the order that the Phase I extension plan was received, as determined under paragraph (e)(1)(iii) of this section.

(ii) Based on the allowances requested under paragraph (c)(9) of this section, as adjusted under paragraph (d) of this section and by the Administrator in approving the Phase I extension plan, the Administrator will allocate Phase I extension reserve allowances to the Allowance Tracking System account of each control and transfer unit upon issuance of an Acid Rain permit containing the approved Phase I extension plan. The allowances will be allocated using the procedures set forth in paragraph (e)(3) of this section.

(iii) The Administrator will not approve a Phase I extension plan, even if it meets the requirements of this section, unless unallocated allowances remain in the Phase I extension reserve at the time the Administrator acts on the plan.

(3) *Allowance allocations.* In addition to any allowances allocated in accordance with Table 1 of § 73.10(a) of this chapter and other approved compliance options, the Administrator will allocate Phase I extension reserve allowances to each eligible unit in a Phase I extension plan in the following order.

(i) For 1995, to each control unit in the order in which it is listed in the plan and then to each transfer unit in the order in which it is listed.

(ii) For 1996, to each control unit in the order in which it is listed in the plan and then to each transfer unit in the order in which it is listed.

(iii) For 1997, to each control unit in the order in which it is listed in the plan, then likewise for 1998, and then likewise for 1999.

(iv) The Administrator will allocate any Phase I extension reserve allowances returned to the Administrator to the next Phase I extension plan, in the rank order established under paragraph (e)(1)(iii) of this section, that continues to meet the requirements of this section and this part.

(f) *Special provisions*—(1) *Emissions Limitations*—(i) *Sulfur Dioxide*.

(A) If a control or transfer unit governed by an approved Phase I extension plan emits in 1997, 1998, or 1999 sulfur dioxide in excess of the projected controlled emissions for the unit specified for the year under paragraph (c)(7) of this section as adjusted under paragraph (d) of this section and by the Administrator in approving the Phase I extension plan, the Administrator will deduct allowances equal to such exceedence from the unit's annual allowance allocation in the following calendar year.²

(B) Failure to demonstrate at least a 90% reduction of sulfur dioxide in 1997, 1998, or 1999 in accordance with part 75 of this chapter at a control unit governed by an approved Phase I extension plan shall be a violation of this section. In the event of any such violation, in addition to any other liability under the Act, the Administrator will deduct allowances from the control unit's compliance subaccount for the year of the violation. The deduction will be calculated as follows:

Allowances deducted = $(1 - (\text{percent reduction achieved} \cdot 90\%)) \times \text{Phase I extension reserve allowances received}$

where:

"Percent reduction achieved" is the percent reduction determined in accordance with part 75 of this chapter.

²In the case of a transfer unit that shares a common stack with a unit not listed in Table 1 of § 73.10(a) of this chapter where the units are not monitored separately or apportioned in accordance with part 75 of this chapter, the combined emissions of both units will be deemed to be the transfer unit's emissions for purposes of applying paragraph (f)(1)(i) of this section.

"Phase I extension reserve allowances received" is the number of Phase I extension reserve allowances allocated for the year under paragraph (e)(2)(ii) of this section.

(ii) *Nitrogen Oxides*.

(A) Beginning on January 1, 1997, each control and transfer unit shall be subject to the Acid Rain emissions limitations for nitrogen oxides.

(B) Notwithstanding paragraph (f)(1)(ii)(A) of this section, a transfer unit shall be subject to the Acid Rain emissions limitations for nitrogen oxides, under section 407 of the Act and regulations implementing section 407 of the Act, beginning on January 1 of any year for which a transfer unit is allocated fewer Phase I extension reserve allowances than the maximum amount that the designated representative could have requested in accordance with paragraph (c)(5) of this section (as adjusted under paragraph (d) of this section and by the Administrator in approving the Phase I extension plan) unless the transfer unit is the last unit allocated Phase I extension reserve allowances under the plan.

(2) *Monitoring requirements*. Each control unit shall comply with the special monitoring requirements for Phase I extension plans in accordance with part 75 of this chapter.

(3) *Reporting requirements*. Each control and transfer unit shall comply with the special reporting requirements for Phase I extension plans in accordance with § 72.93.

(4) *Liability*. The owners and operators of a control or transfer unit governed by an approved Phase I extension plan shall be liable for any violation of the plan or this section at that or any other unit governed by the plan, including liability for fulfilling the obligations specified in part 77 of this chapter and section 411 of the Act.

(5) *Termination*. A Phase I extension plan shall be in effect only in Phase I, and no Phase I extension plan shall be terminated before the end of Phase I. The designated representative may, however, withdraw a Phase I extension plan at any time prior to issuance of the Phase I Acid Rain permit that includes the Phase I extension plan, as adjusted.